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202-616-2885 (v)
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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

UNITED STATES OF AMERICA,

Plaintiff,

v.

JEFFREY A. MARTINEZ, individually,
and as Trustee of the Martinez Family Trust;
DOLORES M. MARTINEZ, individually and
as Trustee for the Martinez Family Trust;
THE MARTINEZ FAMILY TRUST;
MARTINEZ & ASSOCIATES, INC.
(NV20041370692); MARTINEZ &
ASSOCIATES INC. (NV20181033912);
SIERRA MORTGAGE CORPORATION;
FIDELITY NATIONAL TITLE; NEWREZ
LLC F/K/A NEW PENN FINANCIAL D/B/A
SHELLPOINT MORTGAGE SERVICING
(substituted for CHASE MORTGAGE
COMPANY and JP MORGAN CHASE
BANK NATIONAL ASSOCIATION);
RHODES RANCH ASSOCIATION;
REPUBLIC SILVER STATE INC., DBA,
REPUBLIC SERVICES, and DISCOVER
BANK,

Defendants.

Case No.: 2:19-cv-1986-GMN-DJA

**ORDER STIPULATION AS TO
DISTRIBUTION OF INTEREST
ACCRUING ON FUNDS FROM
SALE OF REAL PROPERTY**

1 This stipulation concerns the distribution of accrued interest on funds in the Court's
2 registry.

3 BACKGROUND

4 The Clerk of Court has been holding funds remaining from the sale of the real property at
5 issue in this action while the parties with claims to the funds negotiated a stipulation for
6 payment. (*See* ECF No. 109.) The funds were deposited with the Court August 9, 2023. (ECF
7 No. 90.)

8 On January 17, 2024, the Court approved a stipulation between plaintiff the United States
9 and defendants Newrez LLC f/k/a New Penn Financial, LLC D/B/A Shellpoint Mortgage
10 Servicing ("NEWREZ") and Rhodes Ranch Association ("Rhodes Ranch" or the "HOA")
11 regarding the disbursement of the remaining proceeds from the sale of the real property at issue
12 in this suit. (ECF No. 108 (order approving stipulation).) The stipulation provided for
13 distributions to Newrez and the United States only, because Rhodes Ranch disclaimed any
14 interest in the funds (*see id.* at 5), and all other parties' claims have been dismissed or resolved.
15 (*See id.*)

16 The approved stipulation provides for a distribution of **\$349,731.32 to Newrez** to satisfy
17 its claim based on a deed of trust on the property. (ECF No. 108 at 5-6.) Newrez represented
18 that this amount includes the balance on the underlying mortgage note, with interest calculated
19 through October 19, 2023. (*See id.*) The distribution is thus approximately 60% of the
20 remaining total funds.¹

21 The approved stipulation also provides that the remaining funds be distributed to the
22 United States, in partial satisfaction of federal tax liens on the property. That is, **the United**
23

24
25 ¹ The United States initially deposited \$591,380.45 into the registry, but after the payment of
certain final sales costs, approved by the court, the balance was \$589,929.04.

1 **States is to receive \$240,197.72**, approximately 40% of the funds, assuming a balance of
 2 \$589,929.04 in the registry and the distribution to Newrez described above.

3 The Court has now informed Newrez and the United States that in addition to the
 4 principal deposited with the Court, the Court is holding approximately \$13,000 in accrued
 5 interest on the funds (as of January 29, 2024). (ECF No. 109.) The Court has provided the
 6 parties until February 19, 2024, to file a stipulation regarding the distribution of that accrued
 7 interest.

8 **STIPULATION**

9 In the interests of resolving all further claims, the parties now agree as follows:

10 a) The **Clerk of Court shall DISTRIBUTE** 38% of the accrued interest to Newrez,
 11 and 62% to the United States.² The amounts are expressed in percentages, rather than as certain
 12 dollar amounts, because interest may continue to accrue until the distribution is made.

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20 ² The parties have agreed to approximated amounts for simplicity. The percentages are intended
 21 to reflect the parties' agreement that the interest should be allocated pro rata based on the parties'
 22 shares of the principal. The parties' calculation reflects an adjustment to avoid double-counting
 23 interest to Newrez, since Newrez's percentage of the principal includes interest accruing on its
 24 underlying deed of trust through October 19, 2023. The calculation assumed that interest
 25 accrued on the entire principal balance between August 9, 2023, and February 19, 2024, without
 adjustments for small payments for final sales costs, or for time after February 19, 2024. The
 calculation was thus:

24 Newrez's share: $(0\% \times (71 \text{ days} / 194 \text{ days})) + (60\% \times (123 \text{ days} / 194 \text{ days})) = 38\%$

25 United States' share: $(100\% \times (71 \text{ days} / 194 \text{ days})) + (40\% \times (123 \text{ days} / 194 \text{ days})) = 62\%$

b) The amount of principal, the address for payment, and other terms shall remain as stated in the parties' approved stipulation. (ECF No. 109.)

Signed this 19th of February, 2024

KLINEDINST PC

/s/ Teresa M. Beck (with permission)

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Counsel for the United States

IT IS SO ORDERED:

 2/19/24
UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of the foregoing is made February 19, 2024, via the Court's ECF system to all current parties who have appeared electronically. The United States is also sending this motion to the persons listed below, via U.S. Mail. Such mailings may take two business days to complete.

Jeffrey Martinez
776 White Dogwood Ct.
Las Vegas, NV, 89148

Dolores Martinez
776 White Dogwood Ct.
Las Vegas, NV, 89148

Republic Silver State Inc., dba Republic Services
c/o CT Corporation System
701 S. Carson St.
Suite 200
Carson City, NV 89701

Discover Bank
c/o CT Corporation System
701 S. Carson St.
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Sierra Mortgage Corp.
c/o Richard Thomas
5865 Burning Tree Drive
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/s/ E. Carmen Ramirez
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